

EXPORT FOOD AID CONFERENCE III
GENERAL SESSION
TUESDAY, APRIL 10, 2001, 8:30 AM

(The following is a transcript of the General Session of the Export Food Aid Conference III, held at the Downtown Marriott Hotel, Kansas City, Missouri, and was called to order at 8:30 a.m., with Mr. Alex King, Acting Deputy Administrator, Commodity Operations, Farm Service Agency, USDA, presiding.)

MR. ALDAYA:

My name is George Aldaya. I am the Director of the Kansas City Commodity Office, and I have the pleasure of welcoming you here to the Kansas City area. I hope that everyone found the accommodations adequate here. Just to test it out, I brought my wife here on Valentine's Day. We stayed at the other Marriott, and thought it was a nice place. If there are any problems, you can talk to Austen. (Laughter)

Before I talk about some administrative things, I do want to thank Austen Merrick for putting this thing together. He has done an extraordinary amount of work and I think he has done an outstanding job. (Applause)

I am Director of the Kansas City Commodity Office. I have worked for Agriculture in excess of 30 years. I moved here in August, and I really do enjoy the Kansas City area. I also enjoy the Kansas City Commodity Office.

I have always enjoyed the jobs I have done, but here I really feel that we do a lot of positive things for people that really do need our help. The only way we do that is through the people that are in this room, the Private Volunteer Organizations or Non-Government Organizations, as you like to be called, the World Food Programs, the shipping lines, the vendors, the non-profit organizations, the freight forwarders, all of those people. Without you we wouldn't get anything done. I think it's really a real positive.

The conference is being sponsored by the Farm Service Agency, Commodity Office or Commodity Operations, as well as the Foreign Agricultural Service and AID. We consider ourselves partners in getting the job done, along with you. So with that I will stop. Before closing, I do want to tell a story. I can't remember where I heard this story, but it's about the only thing I know about globalization. After Poland was opened up, there was a vacuum cleaner salesman that was there from the United States. He was trying to sell vacuum cleaners and doing a real good job. If you have ever had a vacuum cleaner salesman come to your house, you know how they operate. He went out into the countryside and went into a small farmhouse. He dumped a load of dirt on the lady's carpet. He said, "Lady, I'll eat that dirt off this carpet if this vacuum cleaner does not clean it up." She started to take off and he says, "Well, where are you going?" She said, "Well, I'm going to go get some salt because our house isn't wired for electricity." (Laughter) It just teaches you that you want to make sure that you know all about the situations that you find yourself in and get involved in before you start making rash decisions. Sometimes we have a tendency to do that.

I want to make some administrative announcements. The General Session each morning will be held here in the Imperial Ballroom. This is a big room. All of the conference functions, except the lunch today and the reception on Wednesday evening, will be held in the Muehlebach Towers. The other functions will be held in the Marriott, which you can reach by either going on a walkway, or if the weather is nice you can go outside.

During the conference, you will be recorded. That's not in any way to keep you from talking or asking good questions, but it's our way of being able to follow up and respond to questions and issues that are raised. I ask that when you do have a question, either during the breakout sessions, or during the main sessions, that you go to the hand mikes and speak into the hand mikes. In addition, please identify yourself and your affiliation so we can lay blame where it belongs.

There is a conference attendee tab in your binder. Please check to make sure that the information is correct, name, e-mail address, etc. If corrections need to be made, please see Nancy Toller at the registration table.

The four breakout sessions will be held today and Wednesday in the following rooms:

- Truman A Meeting Room
- Truman B Meeting Room
- The Colonial Ballroom
- This room.

The breakout sessions are concurrent. In other words, you will be given more than one opportunity to go to one of them. Each morning from 8:00 to 8:30, the Port of Pensacola is providing a continental breakfast for your enjoyment. The breakfast is served in the pre-function area. The mid-morning and afternoon breaks will also be served in that area also.

Parking is complimentary, but you need to take your parking tab to the maitre d' in the main Marriott, or here in the Muehlebach. Restrooms are located in the pre-function area. Phones are located by the restrooms across from the pre-function area. Please, while attending this session, as a courtesy to the speakers, turn off your cell phones, or put them on silent so that people aren't interrupted.

A message board has also been placed outside. Lunch this afternoon will be in the Count Basie B and C Ballrooms, which are in the Marriott Towers across the skywalk. The reception this evening is sponsored by August Trading and will be held in the Tearoom in the Barney Allis Lobby. Take the escalators down to the next level. The reception starts at 5:30 PM.

The reception Wednesday is sponsored by the Port of Lake Charles and will also be held in the Count Basie A and B Ballrooms in the Marriott Towers.

Smoking is allowed only in the lobby, bar and outside.

There is information about area attractions in the lobby. If this is your first visit to Kansas City you will want to go see the Plaza, which is not far away.

Again I want to thank the Farm Service Agency, FAS and AID, for helping us to sponsor this session. We have about 400 people registered. I don't know if everyone has shown up yet. What is really positive is that in excess of 300 of the attendees is non-government. I think that is important. I suspect that you will learn a lot during the breakout sessions, but you will also learn a lot by talking to each other. I will be here most of the morning as well as tomorrow morning. If you have anything to say to me or have any concerns or issues with the Kansas City Commodity Office, feel free to walk up and say hello, introduce yourself and we will visit.

Now, I have the pleasure of introducing Mr. Alex King. Alex is the Acting Deputy Administrator for Commodity Operations. He has been acting for a long time, several years. I believe that he plans to retire, at least he tells us he is going to retire in June of this year. It has been my pleasure to work with him not only in my capacity at the Commodity Office, but also when I was Deputy Administrator for Management. Alex has also been with USDA for over 30 years. He worked in the South Carolina State Office for the predecessor agency to FSA, the Agriculture Stabilization Conservation Service. He also worked for the Federal Crop Insurance. He served four years in the U.S. Navy and then returned to school and earned his Bachelor of Science Degree in Animal Husbandry from South Carolina State College in 1968. He has received several awards and certificates of appreciation for his outstanding service.

In 1991, he was awarded the Administrator's Award for Service to Agriculture, which is considered the FSA's highest award. Join me in welcoming Mr. Alex King. (Applause)

MR. ALEX KING:

Thank you, George. I will confirm, yes, I do intend to retire. I am going to retire. It's been fun, but it's time to move on. I would like to join George also and echo his sentiments; his thanks to Austen and others involved, for putting together this great conference. Again, I would like to welcome you to this conference. This is the third one that I have had the privilege of attending, and I am happy to see that the participation has increased with each session. I can't tell you how much I've enjoyed being Acting Deputy Administrator for the past year. It is a challenging position that has given me plenty of opportunities to meet new people and experience new things.

For example, this year I was fortunate to travel to South Africa with Joe Gerstle of Catholic Relief Service, to attend a joint PVO training session. There will be another training session in West Africa later this month and a subsequent one in East Africa in July.

This travel experience was a real eye-opener for me and I would encourage you to take advantage of opportunities to travel to the more than 80 countries on four continents that we ship commodities to when the opportunities present themselves. I certainly came back with a different perspective of the importance of what we all accomplish together.

I want to take a few moments to introduce a few individuals that are fairly new to the commodity food aid team

George Aldaya as he just stated, is the new Director of the Kansas City Commodity Office.

I would like to have Steve Mikkelsen stand. Steve is our new Director in Washington, D.C. He is the Procurement and Donation Division Director.

Cathie Johnson, she is not new, but she is the Deputy.

We have a few others here on the management staff from Washington, Jim Firth, if you would stand please, Jim. Dean Jensen, Dean is in the back. We have got some other specialists that are here. Would you just stand so they will know who you are. They may want to meet with you later to share with you. Steve Mikkelsen used to be the Deputy Director in the Warehouse Inventory Division before he came over to Procurement and Donation. While both George and Steve are relatively new to the Food Aid Section, they have had considerable amount of time in the department. I would encourage you to take advantage of the opportunity at this conference to meet with them and share your concerns, if any.

One area of increasing activity and discussion with Commodity Operations is our increasing stock of non-fat dry milk. We currently have approximately one billion pounds of non-fat dry milk in inventory. That's one billion pounds.

Now, we're about to sell some for restricted use that's a little old. That will be catalogued. Of this large amount of milk we have got in storage, only 386 million pounds have been committed for use in domestic and export programs. Therefore, we are seeking a home for the remaining 682 million pounds. That's a little over 300,000 metric tons of non-fat dry milk. Under Title II, we are required to charge the Title II appropriation for the value of the non-fat dry milk. Due to some legislative mandates, the price we were required to charge for the past few years was the acquisition price that was paid under the Dairy Price Support Program, which was \$1.01 a pound. That, of course, made the non-fat dry milk far too expensive to serve as a viable commodity under Title II. But today I am pleased to report that we have finally managed to push through the necessary legislative changes and on Friday last week, April 6th, Secretary Veneman approved our recommendation for the sale of non-fat dry milk for use in Title II activities at seven cents per pound. The seven cents per pound figure represents our average handling, transportation and storage costs. So we expect to move some of this powder now.

AID advises us that they are about ready to start programming corn, soy, milk, and wheat soy-milk. FAS has been contacting recipients and we are starting to see some of their orders change from corn soy blend to corn-soy milk. I want to thank AID and FAS for their efforts in helping us move this surplus non-fat dry milk, and I encourage World Food Programme and the PVOs to consider converting your corn-soy blend, or at least a major portion of it, to corn-soy milk. Moving on to the Global Food for Education Initiative. As government employees, we are known to confuse the outside world by using as many acronyms as we can fit into one sentence. In that regard you should know that the Global Food for Education Initiative, GFEI, has been transformed rapidly into what is now affectionately called "giffy" in government circles.

I am sure that all of you know that the Global Food for Education Initiative is the product of a bipartisan effort by Ambassador George McGovern and ex-Senator Bob Dole calling upon the U.S. Government to reduce hunger in the developing world through the child nutrition programs similar to the United States school lunch, school breakfast and WIC programs.

In this first year pilot program for FY 2001, we are committing \$300 million for U.S. commodities and transportation. Commodities being donated are under the Section 416(b) program. This works out to about 630,000 metric tons of food. There are 14 PVOs participating in addition to the World Food Programme and one government-to-government agreement. This year's agreement covered 38 countries and is designed to feed approximately nine million children. If you are interested, we have handouts available showing the countries recipients and other useful information on the Global Food for Education Initiative Program. That's all I am going to say about that, because we have others here in attendance who will be covering it in more detail later.

In closing, I want to thank you for attending this conference. I am pleased to have the opportunity to visit with you today and I want to thank you personally for all the hard work that you do. Commodity Operations is committed to working in partnership with all the sectors that are involved in the food aid initiatives. I hope that we can all use this conference to learn to work together more effectively. It is through our collective efforts that we provide food and nutrition for millions of people worldwide. I am honored to be a part of this effort. I am also humbled by the level of dedication that is shown by all of the parties that are here with us today.

I will be around throughout the conference, Please let me know if there are concerns or issues that we may be able to work together to resolve. I look forward to visiting with you.

And now I have the privilege of introducing Mr. James R. "Jim" Little, who is back with our agency from his position as Associate Chief Financial Officer for the department. Jim is the Acting Administrator of the Farm Service Agency. He began his professional career with USDA at the grassroots level nearly 30 years ago, starting as a Staff Accountant with the Rural Electrification Administration. Since then he has held several positions throughout the department, including Acting Budget Director with the Federal Crop Insurance Corporation, Deputy Director of FSA's Budget Division, Deputy Director and Director of FSA's Fiscal Division. In these capacities he served as Treasurer and Comptroller for the Commodity Credit Corporation which finances many of our export programs. During his tenure with FSA, Jim was instrumental in envisioning, planning and implementing numerous financial management improvements, including resolving several international debt issues involving the former Soviet Union, Mexico, Algeria, Egypt, Vietnam, Brazil, Iraq. There may have been some others, but we are going to stop there.

Jim is a native of North Carolina and is a graduate of Virginia Polytechnic Institute and State University in Blacksburg, Virginia. Would you please join me in welcoming Jim Little. (Applause)

MR. LITTLE:

Thank you, Alex. Good morning and welcome to Kansas City and USDA's Export Food Aid Conference. Secretary Ann Veneman asked me to express her regrets for not being able to be here today. As many of you know, if you read the papers at all, there are a lot of issues that the Secretary has been involved in of late almost on a daily basis, so she really could not fit this into her busy, busy calendar.

She is really disappointed that she won't be able to be here to discuss with you some of the critical issues that we all have to deal with in providing food for the hungry. She also wanted to express her regrets for not being able to be here to visit with her good friend and former colleague, Catherine Bertini, World Food Programme Executive Director.

As Interim Acting Administrator for the Farm Service Agency, I am on loan, as Alex mentioned, from the Chief Financial Offices, but I am not new, as he mentioned, to the Farm Service Agency or the Commodity Credit Corporation, or Food Aid, for that matter.

It was with the former ASCS in the Commodity Credit Corporation that I first became involved in food aid, and, as a matter of fact, I was involved in one of the first monetization efforts the FCC was involved in, and that was with Russia back in the early 1990s. I was also fortunate enough to be involved in some of the early introductions of some of the value-added products in the former Soviet Union, as well as some of the other hot spot countries of the world where food and products are very rare. Many of you were involved in these initiatives along with me during those times, and I am really excited to be involved in it again.

As Acting Administrator for the past few months, I have had the opportunity to learn a great deal more about the nuts and bolts involved in the various food aid programs and the complicated logistics involved in getting food from the farm to the hungry people around the globe.

It is truly amazing how USDA's and CCC's procurement activities impact so many different groups, organizations and populations throughout the world, and of course, none of this could be done without the help of all the people in this room. Moving food from the farm to the malnourished is a tremendous endeavor.

I view our relationship, yours and mine and the other government employees in this room, as a partnership where all interested parties have to put aside their personal preferences so we can accomplish efficiently and as economically as possible the common goal of feeding the world's hungry.

Included in this partnership are our nation's farmers, warehouse operators, rail transporters, truck lines, commodity vendors, packaging companies, processors, millers, private voluntary organizations, the World Food Programme, AID, foreign governments, shipping lines, freight forwarders and other U.S. Government agencies. The list goes on and on.

I would like to commend you for the wonderful job you all have done in getting our commodities delivered where they are needed as importantly, when they are needed. We have been very successful in accomplishing this task. In fact, during fiscal years 1999 and 2000, we shipped over 13 million metric tons of processed and bulk commodities to meet recipient needs and monetization efforts to 80 countries over four continents.

I am really pleased to see such a large group of people gathered here this week for the conference, and I hope it provides us all the opportunity to work together to help fine tune and streamline our operations, and as importantly, improve our efficiency and educate. Education is extremely important and we need to focus and discuss openly the problems that we are all facing in our procurement and distribution efforts. And we also need to begin identifying ways to resolve them and resolution should be one of the key words that we focus on this week, and education will help us get there.

Ms. Bertini, thank you for working this conference into your busy calendar. I understand that you are going to be traveling a good bit while you are in the states and elsewhere, and I believe you said you were in Ethiopia before you came here. So, I mean, this is extraordinary that you are able to join us.

It makes a real statement by her being here that the World Food Programme is a partner with USDA in solving the problems involved in feeding the world's hungry. I might add that I had the privilege of meeting with Ms. Bertini in 1999 at the World Food Programme annual meeting and again last year in Association for Government Accountants Conference in Washington.

I have also worked with her staff in addressing some financial issues between USDA AID and the World Food Programme. I am extremely honored to be here on the same stage with her, and I am anxious to hear her presentation and reflections on the challenges we all face in feeding the world's hungry.

I would like to express my appreciation to the corn millers this year for agreeing, I'm sorry, the corn and flour millers for agreeing to put themselves in the spotlight, this year, and a special thanks to Betsy Faga with the North American Millers Association for agreeing to serve as a moderator on one of our breakout sessions.

Thanks also to Joe Gerstle from the Catholic Relief Services, Bob Bell from CARE and Bob Cooke from ADRA. Each has agreed to share their perspective of food aid through the eyes of the PVO. I encourage all of you to take advantage of these breakout sessions to learn more about specific sectors of the food aid commodity community.

Our customers and vendors are all important to us and we need to continue to focus on their needs in future conferences, as this is what these conferences are all about. Focusing on individual food aid sectors, as we are doing this year is a great conference format. It is one that will enable us to better share our successes and challenges. We need to take advantage of these opportunities and learn from others experiences. Collectively, we can improve the delivery of food aid worldwide and change the world one spoonful at a time.

We do owe a debt of gratitude, and I will echo George and Alex's appreciation to Austen Merrick and also thank the Procurement and Donation Division in Washington, D.C., the Foreign Agricultural Service and AID in their participation as well. Planning for this conference has been a yearlong effort. Austen, you and your staff have done an outstanding job. Thank you for pulling it all together. Also thank you to George Aldaya, Alex King along with their staff members for a great job of hosting the conference. I hope it will be worthwhile to everyone, and I appreciate your attendance.

I would like now to introduce our guest speaker--our keynote speaker -- Catherine Bertini, Executive Director of the United Nations' World Food Programme; it is a rare privilege indeed for us to have someone of her caliber and stature to join us at this conference. Since the time we first knew that she would be joining us, it gave the conference a whole new and special meaning. Mrs. Bertini has an impressive biography and I urge you to read it. Suffice it to say that since 1992, upon her first appointment by former President Bush, she has done a truly outstanding job of providing the top level leadership for the United Nations World Food Programme, the world's largest food aid distribution organization. Working within the crosscurrents of sentiment with many U.N. countries is not an easy task, but somehow she has managed to make it look seamless and efficient. Congratulations, Ms. Bertini. She is the first American woman to head any U.N. organization and she is the first woman to lead the World Food Programme. This makes it apparent why her continuing interest in the well-being of the world's population of girls and women is so strong. We are all proud of her background and remarkable achievement, particularly since she is a USDA alumnus. She served, as Assistant Secretary for Food and Consumer Services from 1989 to 1992, and I believe that is about the same time frame that Secretary Veneman was a former USDA employee as well. She is truly a dedicated servant and we are pleased to say that she is one of USDA's own. Ms. Bertini, you have traveled many miles to get here today, both figuratively and literally, so I don't want to take up any more of your time. I know you have an extraordinary story to tell.

Prior to Ms. Bertini making her presentation, we would like to show a short video on the World Food Programme. This video will provide you a little bit in anticipation of her talk. I would like everyone to give her a very warm welcome. Ms. Bertini. (Applause)

TRANSCRIPT OF WORLD FOOD PROGRAMME VIDEO PRESENTATION NARRATION

Every year, millions of people suffer the ravages of hunger. Some will survive, others won't. One child dies every five seconds somewhere in the world because of lack of food. Every year there are new and continuing human conflicts and natural disasters that create food shortages and famines, but simply put it is poverty that is the main cause of hunger. "The true irony is that we live in a world full of food. For decades our planet has produced enough food to sustain every man, woman and child. Food is the basic building block of life. Our lives revolve around it. Children thrive on it. We all need food every day. "The World Food Programme is the United Nation's food aid agency. Its mission is to wipe out hunger no matter where it occurs. WFP firmly believes there is enough food in the world. The challenge is getting it to the people who need it most.

Modern farming methods introduced after World War II put an end to the food shortages that had long plagued the world. Wealthy countries suddenly found themselves with too much food for the first time in history. "In the early 1960s, an ingenious and simple idea emerged, to create a multi-national body through the United Nations to transfer the surplus food to the hungry in the developing world, to help them help themselves. The Head of President John F. Kennedy's Food for Peace Office at the time was George McGovern. "MR. GEORGE MCGOVERN: No country had been willing to come forward with any cash or commodities to start the World Food Programme. So I called the White House on the morning on our arrival in Rome, got hold of the White House Counsel, Theodore Sorensen, and by that afternoon we had the clearance from the White House to make an offer of one hundred million dollars in commodities and cash to start the World Food Programme. There's no question that the World Food Programme has kept millions of people alive over the nearly forty years of its existence.

WFP's goals are three: 1.To keep starving people alive in crisis situations. 2.To build self-reliance through food aid. 3.To feed vulnerable people at critical times of their lives.

The World Food Programme has been run by Executive Director, Catherine Bertini since 1992. Ms. Bertini, a champion of women's rights, has traveled extensively from Kosovo refugee camps to North Korea. (Ms. Bertini speaking) "Women are the people who cook the food all around the world. They grow it, forage for it or shop for it, and they find the water, to cook the food. If we get food to women, that's the way we can ensure that the food is going to go to the rest of the people in the family."

At WFP, emergency relief consumes more than two-thirds of the operational budget. In North Korea, WFP feeds about one-third of the population. Food shortages are so severe that a study indicated 62 percent of children below seven years of age were moderately or severely malnourished. As a result, WFP has specifically targeted children for food aid.

In Sudan, years of war combined with poor harvests pushed this desperate country to the brink of famine. The widespread dispersal of people and continued fighting made over land transport of food next to impossible. WFP went into action and set up an airlift operation that at its peak had 18 aircraft a day flying from bases in Kenya and Sudan. Almost two million lives were saved in what became the largest humanitarian air drop in history. "WFP also helps people build self-reliance with food aid and to feed vulnerable people at critical times of their lives. In thousands of food for work projects around the world, WFP has used food as a tool to help communities become self-reliant and to help rehabilitate people after disasters strike.

As well, WFP's development projects have made a difference for hundreds and millions of people. WFP targets the neediest among the hungry poor wherever they are. That means women, children, the old and the sick. Through WFP School feeding schemes around the world, kids are finding the energy to study. It's not easy to learn on an empty stomach, so WFP is trying to ensure every child receives at least one nutritious meal every day. (Ms. Bertini speaking) "Study after study has shown that when children are fed at school, they do better in school. Their test scores are better. They pay attention more. They come to school more often. They are late less often, and they are able to learn and to grow."

WFP is the largest international food aid organization in the world. It helps people survive the ravages of natural disasters and war. Since it was founded, the program has invested about \$25 billion in emergency and development projects. WFP food aid currently reaches 83 million people in 83 countries.

All of the contributions to WFP are voluntary. They mostly come from donor nations, but also from intergovernmental bodies, corporations and individuals. Donations come in food, cash and services. Hunger isn't considerate. It strikes in the most inconvenient of places.

WFP uses its long experience in logistics and transport to get food aid, to those who need it, fast and efficiently. About 90 percent of WFP food is moved by ship, but getting it to hungry mouths often requires more complicated methods.

WFP has had to clear mines, build roads, renovate air strips, rebuild bridges, lay rail tracks and even transport the locomotives to run on them. The program uses whatever it needs from airplanes to elephants to get food to the hungry. In a world where there is so much food it doesn't seem right that there are places people can't get it. WFP's goal is to tip the balance and feed the hungry.

END OF WORLD FOOD PROGRAMME VIDEO PRESENTATION

MS. BERTINI:

"Changing the World One Spoonful at a Time." What a great theme for this conference. We can all make a difference as we work together to change the world one spoonful at a time. And as we gather today, we know that we have done so much together to change the world to end hunger, but that there is so much more that we must do together.

Every five minutes, every five seconds, rather, someone dies from hunger somewhere in the world. When we think about this, it means that for every American in this world there are three hungry people somewhere else in the world. Many of them so hungry that they won't be able to sustain their lives. The United States has been extremely generous as a donor fighting hunger. But I think together our goal here today and for the future has to be to increase those levels of generosity. At the same time to work together and within our own organizations in order to assure the quality and the efficiency of that food aid that goes to people around the world in an effort to end hunger. When we think about U.S. history in this regard, we know that America has been providing food to its neighbors for centuries. In fact, Congress' first authorized food aid for earthquake victims in Venezuela at the beginning of the 19th Century and then, since the end of World War II, the U.S. aid has really been massive.

Of course, the Marshall Plan is one that is still talked about, even by European representatives to the U.N. in Rome when we talk about school feeding and other programs that are important, because many of those people remember having been fed at school as their countries worked to repair the damage of war.

Then there was the Food for Peace Program that was so critically important. It's still critically important, but so critically important as an initiative when it began. Then, of course, in the last decade, the U.S. Government gave significant amounts of food in the Eastern Bloc and with two former CIS states after the fall of the Berlin Wall.

When we think about what Americans think about food aid and what Americans think about foreign aid, do we know that for some reason foreign aid is a bad word in the mind of most Americans. These Americans don't know as much as perhaps those of us in this room do about what it's used for. But we do know that food aid is much more popular, and I believe that we have come to a point in this world, a good point, where no one accepts the fact that someone could die of starvation because everyone in this world, rich or poor, from any country in this world knows that we can do something to end starvation. We do, because when people get to the point in a natural disaster or a manmade disaster of being so close to the edge that they may starve for lack of food, the international community comes through.

The international community comes through in North Korea, in the Horn of Africa, in Afghanistan, in Angola, and at the beginnings of a tragedy such as Hurricane Mitch. The international community is there. It starts when the tragedy occurs and when the pictures start arriving of children in emaciated states. That is when food aid pours in through the World Food Programme, through the NGOs, through the red Cross; bilaterally the food aid pours in. Often the food aid comes in in the amounts that were requested, sometimes in not quite enough. I think worldwide about 84 percent of the emergency food aid needs, through the U.N. at least, were met in the last few years. But the problems become when those disasters start improving in terms of the lives of the people who are at risk. They call it the CNN factor, you know, when CNN packs up and leaves, watch out, because our contributions might dwindle then, too. When Hurricane Mitch occurred, the contributions came in very quickly. But today, the victims of Hurricane Mitch, some of them are still living under plastic sheeting. Some of them are still working to try to dig out their fields. Many of them are still working to redevelop infrastructure to reclaim their jobs, but the aid is not flowing into Central America. Some of it is there, but not like what it needs in order for the people there to rebuild their lives, to be able to reclaim even the state that many were in before that happened, which was the state of poverty, but at least not the state of no food.

We need to be able to develop constituencies in this country that understand, not only the critical need when people are cut off from food, but the critical need in the stages of rebuilding after a crisis and, most importantly, the critical need of people who are hungry just because they are poor.

These are not people who are going to have their pictures on the front page of the newspapers, and they are not people who are going to be people who ABC is going to go do a story about. But they are people who are so hungry that they don't earn a dollar a day, or to be able to provide food for their family that are so hungry that they cannot send the children to school because they don't have the energy to get to school; that are so hungry that they scrimp and starve, and when there is a bit of food in the house, they are sure that it goes first to the men who might be able to find jobs, then to the boys who might be able to do some work, then maybe to the girls and last to the mothers who is the one preparing the food.

These are the kind of people that we have to remember to get into the public knowledge in the United States and around the world that food aid is needed for them, too. And after all, when they receive food aid and they can help build their own lives and the lives of their families and their children, that makes a difference for them. It makes a difference for the family, for the community, ultimately for the country, and those are the people we have to continue to be able to talk to Americans about and tell them food aid is important to help all the desperately poor people in the world; those who are stuck in the middle of a war or a natural disaster, those who are rebuilding their way out of that war or natural disaster and, yes, those who are hungry just because they are poor.

I believe if Americans understood this, they would give very generously. In fact, Bread for the World conducted a survey just a few months ago and they found in that survey that more than eight out of ten Americans felt that we should work with other industrialized countries to cut hunger in half by the year 2015. How are we going to do that unless we are to provide more assistance in an effort to do this? Food aid assistance, yes, but I would add not just food aid. And this survey also said that 75 percent of Americans were willing to have \$50 per year go from their taxes to fund such an effort. Imagine if we had \$50 per year from every taxpayer instead of one-tenth of one percent to fund feeding people around the world, helping people improve their livelihood so that they can feed themselves. You know, when you think about it, we have taken this jump long ago for domestic food aid programs because we started with milk. Alex, in the late forties and I know when I was in school way back but it wasn't in the forties. When I was in school we had milk. Then we have school lunch. And then we have school breakfast. We have food stamps. We have the WIC Program. We have ten other programs that serve poor Americans. When I was at USDA, those programs, the budget was \$33 billion. I think in the last decade it's gone up as high as \$40 billion. I don't know what the exact figure is today, but it's somewhere between those two. Can you imagine \$36 billion to feed poor Americans. The World Food Programme is the largest food aid organization and the largest humanitarian organization in the world. Last year we raised \$1.7 billion and with it we fed 83 million people.

What more we could be doing in this country if we could have more aid to feed hungry people around the world through the PVOs bilaterally, through churches, synagogues and mosques through the World Food Programme, and through the Red Cross.

Do you know that the budget for PL 480 is approximately the same as the budget for food stamps, school lunch, and WIC food programs and for poor Illinoisans? What more we could do.

I want to start there and say what have we done. There is so much more space in what our response could be. One of the wonderful things we have done is for USDA to say we are not going to let this surplus rot in our stores. We are going to use it. For the last few years, we in the aid community have had the benefit of much of this aid coming through surplus commodities through the USDA. Now, let's not get fat and happy about this and think we are going to have it forever.

The economy doesn't work that way and it won't happen forever. Let's not get slack about the budgeted items through PL 480 and others because we have been so lucky for the past few years to have this surplus. So let's keep working at that, too. At the same time let's recall and thank the USDA for having taken the initiative to move this food and help them to move even more.

Let's talk about what other kinds of things we have done. I will ask you a few rhetorical questions. Think about this for yourself. Does your Congressman, does the member of Congress who represents you and does the member of Congress who represents your company and does the Senators, U.S. Senators who represent you and the ones who represent your company, if they are different, do they know about your interest in food aid?

When was the last time that you wrote to them on your own personal stationery for your home Congressman, or on your company stationery for the other Congressman and told them how much you care about food aid and what it means to you? What does it mean to you as a person, as an American, as an individual? What does it mean to you in business? When was the last time you did that? Have you recently organized a campaign in your community to raise funds to feed people overseas? Have you contacted ADRA or Africare, CARE, CRS, Mercy Corps, Save-the-Children, Red Cross or World Vision, Friends of WFP, or any of the other NGOs who are represented here and said, "What can I do to help raise some money for you so that you can strengthen your activities in the places where you work around the world?" Have you written a check to any of those organizations yourself to help support what they are doing? Have you organized articles about food aid and how important food aid is and how important it is to feed hungry people? Have you organized them in your company newsletter recently? Have you put them in your trade journals recently? Have you found ways to get articles, in the local newspaper, about someone you know who is from your town who is working for the Peace Corps, or who is working overseas for some other group. That they could show people firsthand that someone in your community has devoted this part of their life to help hungry people and remind the community that they can do something too? They can write a check. They can write to their Congressman and tell that Congressman they expect this to be a high priority on his or her agenda. If you haven't done all of these things recently, please, consider doing them now. Every person in this room is in the business of food aid or we wouldn't be here. If we aren't active building community support for food aid, and if we aren't active reaching out to our Representatives to tell them how important it is for us, who else is going to be doing it?

When I travel around the world and I see the impact of our work, I am rewarded and challenged every day, as I know many of you are. And when I see the successes that we have brought, I wish that we could recreate those successes to show people how well we have done. It's not just the statistics, because sometimes those are hard to comprehend. The statistics that say that even though now there are still about 800 million people who are desperately hungry in this year, and even though that is one out of seven people, that in the sixties it was one out of three people who were desperately hungry. Despite that fact the population has increased dramatically, now one out of seven instead of one out of three are desperately hungry. And when we see some of the kind of work that's done it is so heartwarming to see.

I remember going to an indigenous community in Columbia, one of the poorest communities in the country, and learning that they had wanted to raise fish. The government brought in an expert to tell them how to go about doing this. They were land-locked. They didn't have enough protein, they didn't have any fish, and they thought that maybe they could have more income, in addition to what they could consume themselves. The World Food Programme gave this community six months of food on the idea that for that six months the community would be spending all of its efforts building this fish pond, digging the pond, supplying it with water and fish, making sure it was operating, and it would take six months until the first crop of fish was raised. After that first crop of fish, they sold the fish and consumed some of the fish. They took the profits, put it back into another crop. After only the second crop, they decided they were going to diversify. They started to raise pigs. After they raised pigs for a year they decided to use the profits to build a school. This community did all this with six months of food aid for a very small village.

I recently visited the Horn of Africa, in fact, I just came back from there. I have been there four times in the last year. The Secretary General asked me to be a special envoy for drought in Horn of Africa. When I visited in April, I saw some of these babies who were clinging onto life. They were at a Save the Children therapeutic feeding center in Goeda in Southeastern Ethiopia. The center was jammed, absolutely jammed. The only people who were around were some brave NGOs working in this particular area. After six months, after major amount of food and other items went into this area, after the international community heeded the call and sent food and other items generously, when we went back to the same feeding centers there were only a few children left. Several of the feeding centers that had opened since April had closed by September because we had reached the children most vulnerable, and we had distributed enough food around so that people were not at this starvation state. That's the kind of wonderful work that we have done and that we can do. I should say that there are two great tributes that go to this work in the Horn of Africa. There were many donors that contributed and U.N. agencies were involved. If it weren't for the non-governmental community and some of the areas where the U.N. wasn't at first, then many more, thousands of people would have died. If it wasn't for the U.S. Government who by September had contributed 75 percent of the needs of the people of the Horn of Africa, then even more would not be living today. By now there are many other donors, but the U.S. worked fast, worked well, and worked effectively.

Sometimes we run across neighbors and friends who say, "Well, why should I send my food overseas?" To those people I think it's very easy for us to make the commercial argument poor neighbors make poor customers, and from a commercial perspective it makes sense to reach out as well. When we look at the countries that are now importers of U.S. food, almost all of them were recipients of U.S. food aid. Then we look at the states in the Midwest from whom so much food is purchased, the ports in the region who do so much work in moving the food, the fortifiers of food aid who work in a dozen states; so much of this work comes first from farmers, but also from people along the way up through the shippers who get the food to the countries where we then must distribute that food. It makes good business sense as well.

But beyond the individual people that we reach, there is another reason that we can look at. Just in the last few years the reason why food aid is so important, and I point first to North Korea where, as the film said, "we are now feeding a third of the population of North Korea". Do you know, in 1997, that was the depth of the hunger crisis in North Korea? I am not sure anyone will ever know, or at least not in the near future, how many people died for lack of food in that country. We know that many, many did die. I remember when I visited there for the first time that year and the Vice-Minister said to me, "Look, we want as much food as you can bring in," and in this case one of the indicators to me about how serious the problem was was that he said, "and please don't send rice." And I said, "Why not rice?" And he said, "Because we absolutely have to maximize the amount of food that comes into this country, and if you send us corn or wheat, we will have more, the volume will be higher. That's what we need more than anything else."

There has been a lot of activity in North Korea in the last year in terms of movement toward a more stable peninsula and more countries recognizing North Korea, more countries, of course, starting with South Korea, but also significantly the U.S. and others, in terms of improving their relationship. I absolutely believe that the stability that was brought to a very unstable situation based on the lack of food is one of the reasons why something further can be done on the diplomatic front there today. Now, sometimes when we work in North Korea or, for instance, in the Horn of Africa when there was a war going on between Ethiopia and Eritrea, sometimes people will say, "Why should we send food? Why should we send food when we don't like the way the government operates? Why should we send food when we don't like the fact that the government is spending its resources on war?" To them I quote Ronald Reagan when he said during the height of the Ethiopian famine in '84-'85, "A hungry child knows no politics." We can urge our diplomats to come to some better conclusions to bring peace around the world, to bring stability, to try to change the way governments operate. As individuals, we can't do that. But as individuals, we can do one thing. We can make sure that hungry children don't starve, because we can make sure that some of our abundance can get to them. We have the mechanisms to do that.

We have your businesses, your NGOs, your United Nations, your government, all of which work together in an effort to be sure that people don't starve. What we must do is to work more to be sure that people can survive well.

Now, two other points that I would like to make and one is about what a dangerous business this is. Unfortunately, there is not a lot of this in the press, but it is extremely important, and it has changed, and that is the number of humanitarian workers who have lost their lives while working to keep people alive. For instance, in 1998, more humanitarian aid workers lost their lives than soldiers serving in peacekeeping operations. In 1999, almost 300 U.N. staff members were beaten, raped, robbed or carjacked. Since 1992, roughly 200 U.N. humanitarian workers have been murdered. From WFP's perspective, since 1992, we have lost 27 people who have been murdered in cold blood. What can we do? Are we going to discourage people from going to these dangerous places? No, because there are so many dedicated, committed people in this world who are going to go despite the risks. Can we prepare them better? Yes. From WFP's perspective, we have invested several millions of dollars into a security-training program. We have trained now 6,000 of our staff and many U.N. and NGO staff who have wanted to be trained as well in how to protect ourselves. We had a tragedy again just in January where one of our staff members was in a helicopter that had been chartered by the U.N. that crashed in Mongolia. This staff member survived, with bad burns on his arm, but he survived. He credits his survival to the three-day training program on security awareness that he took that told him how to operate in this kind of a situation. Can we do more? Yes. We must. We all must, to give our staff the skills they need to protect themselves, but we must do more. The U.N. must do more. The Secretary General has put forward a proposal for a more comprehensive security management system within the U.N., because do you know what, the U.N. right now, the U.N.'s budget for security in the U.N., the actual U.N. budget, \$540,000 for the U.N., period. Obviously, each agency takes it upon itself to put in security measures. The U.N. has a responsibility as well. The Secretary General has taken the initiative to do something about this, but still this is required. The governments are required to do something.

And the other thing that must be done is holding governments accountable when these things occur. In Burundi, for example, a WFP staff member was murdered in his front yard in 1998. In 1999, a WFP and a UNICEF staff member were murdered in a refugee camp. Just last week three WFP drivers were shot, one in the head. All survived, thankfully, in Burundi. I am wondering, and we ask all the time, what is Burundi doing in an effort to find the perpetrators of these crimes? What are the other countries doing where all of these people have been killed? There have been so many people who have been killed, but out of 200 deaths, less than five people have been charged with anything relative to the murder of those people in the countries where they died. The U.N. must do more to ensure accountability and to hold governments accountable for these problems, tragedies, disasters, murders. On a happier note, Alex talked about the school feeding initiative. There is very little that is more important in this world than education and without education and without an educated population we cannot expect any country to be able to pull itself out of poverty. Certainly we can't expect any family or any child to be able to do it unless she or he has had a chance to be educated.

What can we do about that if we are in the food aid business? Well, we can feed them; we can feed them. We know that that makes a difference. It doesn't matter what school I visit, on what continent, in what community and whether or not that school has walls or only a roof, whether or not that school has books or only a teacher, whether or not that school has blackboards or only a few posters. In every place, in every country, on every continent, the teachers, the administrators, the parents say to me, and I know they say to you, "When these children have food at school it makes all the difference."

First of all, more of them come to school, and you have seen the conditions that they have to undertake to get to school. They have to walk miles and miles. They have to walk in, sometimes dangerous, situations. If they are desperately hungry, if there's no food at home, they don't have the energy to get to school. When food is there, it serves as an incentive to help them get to school just to eat. When they eat at school, all of these people, they pay more attention. They don't fall asleep at their desk. They have more energy. They are able to absorb more.

We don't have to teach them the same thing the next day because they are able to absorb it the first day. They aren't as tardy. They come on time. They are anxious to be there. They know they are going to learn something. They know they are going to eat. Teachers tell me that when they progress that actually if they have been fed at school that year, that most of them progress on to the next year. Fewer of them drop out. More of them show up. And we have seen this over and over again.

I went to a school in Lalibela, Ethiopia, where WFP sent food for two meals a day to these children. Do you know what the school had to do? It is an open air school to begin with, but they didn't have enough teachers to teach all of the children that came once the food was there, because twice as many, more than twice as many children came to school once food was there. What did they do? They decided to have a morning class and an afternoon class. The teachers worked harder. The children only had one meal, but twice as many children were educated, twice as many children were fed.

When WFP gives a can of vegetable oil to girls in communities where very few girls go to school and we say, "We'll give a can of vegetable oil to a girl who finishes a month of school." After each month the girl drags home a can, a liter can of vegetable oil. We have seen a hundred, two hundred, three hundred percent increase of girls in these schools. Even their fathers want them to go to school because this means that she is going to bring home what is equivalent of half of his monthly income when she brings that food home. It is a variation of feeding a child at school, but it still gets the children to school. How can there be anything more important and more understood by Americans than the concept that every child in the world should eat at school? If those children eat at school, they are going to be educated. Now, let's not quibble about whether or not they have computers in their classrooms, or whether or not they have walls, or whether or not even they have kitchens. There are ways to make food that doesn't have to be cooked, there are ways to get the mothers involved to cook the food at their home and bring it in as they do in Honduras. There are all sorts of ways to be sure that children are fed at school, if we make a commitment to do so, and if we get the food to those places in order to be sure the children eat. Yes, it is a bipartisan proposal. It is a bipartisan proposal coming from Ambassador McGovern and Senator Dole, and that's one of the beauties of food aid, domestic and international food aid in the United States of America. It is bipartisan. It always has been. There is no Republican or Democrat difference to feeding children at school. It's important for everyone. It's important for President Bush and his education initiative. It's important for Secretary Veneman who has for so long understood food aid and its uses, nutrition and its needs, and what great things American agriculture can do to support people all around the world. So as we look to the future, as we look to our work this week and our work beyond.

I hope you leave this conference with better knowledge about how to operate, that you have learned from the workshops here and with a renewed commitment for spreading the word about what it is we do. Spread the word to your Representatives, to your employees, to your neighbors and to your places of worship. Spread the word about the need to support food aid, to increase the budgets of PL 480, to keep using this wonderful surplus available at USDA, to emphasize the need for feeding children and to support the bills that will be introduced, that should be introduced in Congress this year to do so.

Tell our stories, tell our success stories to our communities, to our customers and to know that when we pass on this information about what food aid can do, that we do so in the United States to a receptive audience of Americans who are generous, of Americans who know that they want to make a difference.

Because of our expertise we can show them how, and I believe that every American needs only to be shown how they can make a difference, and then they will, just like this conference. We can all make a difference as we work together to "Change the World One Spoonful at a Time." (Applause)

END OF MS. BERTINI'S PRESENTATION

MR. KING:

Ms. Bertini has offered to take questions if anyone has questions?

MR. AUSTEN MERRICK:

My name is Austen Merrick. I work for the U.S. Department of Agriculture. I would like to say again how much we appreciate your being here with us. My question is that the Global Food for Education Initiative in its original concept was to be multi-lateral effort. Is there any sign yet that the multi-lateral feature of that is coming forward? Do you see others of our international partners stepping forward to take a role in that program?

MS. BERTINI:

Well, first of all, that is certainly the intent of all of us. The Global Food for Education Initiative, of course, started with an Op-Ed piece that Ambassador McGovern wrote in February, a year ago, and then President Clinton announced his intention in July at the G-8. There was the Senate Hearing in July, also. The President announced, again, his commitment to doing so in December of last year. In January, USDA also signed a paper about doing so. Just in the last month maybe, actually the paperwork has been started. The grants have been announced and the paperwork has actually started to actually begin moving the food.

From the perspective of the other countries, it has been something that has been talked about a lot. Now that there is actually been action taken in the last couple of months, I think now at least from WFP's perspective, we are better positioned to be able to be proactive with other governments as well.

There are about a half a dozen governments so far that have expressed some sort of interest in support, and we are working with each of them. I have talked to a couple of them myself and the resource mobilizers at WFP are talking with others.

WFP is receiving about \$44 million of this amount of this \$300 million that is available, so we would be certainly working with the other program. We are working with the other governments to see if they would come forward as well. We think that it's such a wonderful initiative and the impetus we now want to take advantage of.

At the same time, it is just as important for this to go on beyond this year from the U.S. perspective, because if it's only one year, the pilot was there, then it died. But let's hope it is going to go beyond, because that is really what would make all the difference.

You know, as far as these things are concerned in the U.N. world anyway, an idea takes a little while to move through. We have always done school feeding, and so all of the donors have been supporting school feeding, but not specifically school feeding.

So I think it will take a year or two before there is a lot of progress. Although, as I said, there are at least a half dozen who are now looking into the matter.

MR. ROSS COGGINS:

Ms. Bertini, I am Ross Coggins from Catholic Relief Services. I would like to say, first of all, how much we appreciate your message and what you do through the World Food Programme.

Following up on what you said about writing to the Congress, I am wondering if there is an impetus we might make in doing so, on the fact that at this present moment under the budget recommendations of our government, the agricultural portion of the budget is going down while defense is going up. This may mean that we are nationally beginning to beat our plows into swords, and that we don't really recognize that food security in these places, where you were describing the awful conditions, that food security there means national security for the rest of the world, because isn't it true that these very places where children die of malnutrition are fertile recruiting grounds for all those who have so little to lose. They turn to violence or striking out in any way because they have nothing to lose?

It would seem to me that we might do well to appeal to the motivation, not just of the humanitarian response, which is right and good, but also to the fact that by helping those who are so severely malnourished that we are contributing to our own national defense and security.

MS. BERTINI:

Yes, Ross, absolutely. That's a wonderful point, and it's critically important. I hope that the North Korea example goes to the point that you made. As far as budget priorities go, I don't criticize one on behalf of the other, whether it's in Ethiopia or the United States, or anywhere else.

I think that it's best just to argue how important it is, what we do and how much more resources we need, not how much somebody has that they shouldn't have. I kind of equate it to when someone says, "Well, look at these Americans that go and spend all this money having dinner at restaurants compared to all those poor people."

This is one of those things that is not something that we can deal with. We need to be able to take advantage of that and say, "Since you are able to spend all that money on your two hundred dollar dinner, you should be able also to send two hundred dollars to the Catholic Relief Service." I think your point about the need for talking about how food aid builds stability is absolutely critical.

MR. JOHN MANCHESTER:

Hi, Ms. Bertini. My name is John Manchester. I am with the Manchester Company. We work in supplying woven polypropylene bags to the program and solutions, and I just wanted to ask do you agree with what he said and, number two, is that changing for the better or for the worse? Thank you.

MS. BERTINI:

I do not believe that there are any people on this earth who consider starvation a viable solution. There are people on this earth, however, who are corrupt and they can be corrupt in terms of how they use money, in terms of how they use resources, or in terms of how they use people's lives. We can't end corruption, but we can end starvation.

MR. MARK SMITH:

Good afternoon Ms. Bertini. Thank you for your comments. My name is Mark Smith from the American Red Cross, and I was very enlightened by what you said about as far as security and we, in fact, have a team in Washington whose sole responsibility is to safeguard our delegates around the world.

We are often looking for additional assistance as far as joint training and things like that. I was wondering if that is something that we could pursue in the future between all the PVOs that are represented here, not just specifically the American Red Cross.

MS. CATHERINE BERTINI:

We would be delighted to do that. In fact, WFP would be glad either to include people in our security training or to share with you our training modules so you can use them to develop your own. Joe Scalise is here from WFP. Could you stand up, Joe. He runs the WFP office in Washington, and if you make a connection with him, he can help. Tom Shortly is here, too, although Joe is here for the whole conference. Tom, would you stand up, is also from the WFP Washington office. We would be very glad to do that.

MR. SMITH:

Thank you.

MS. BERTINI:

Thank you. Thank you very much.

(Applause)

MR. ALDAYA:

Thank you very much. That was excellent. Before we break, I indicated that FAS and AID were helping us and co-sponsoring the conference. Mary Chambliss is the person that we normally work with. She is the Deputy Administrator. She was not able to make it today, but I understand Larry McElvain is here to represent FAS. And also from AID, we have Tom Oliver, who's the Director of Food for Peace. There is also Bob Goldman who we work very closely with.

I can't mention everybody, I apologize, but I understand those were the at least prime movers in helping us with this conference.

In addition, I want to mention the Kansas City Commodity Office, I have about 300 folks that work for me. We deal primarily in the procurement area. We buy for domestic as well as foreign feeding programs approximately a billion dollars a year, which excludes the transportation, and we have six divisions.

We have a lot of folks here, but I wanted to mention at least the Branch Chiefs and Division Directors and if they would stand up and wave their hands, so if you have to contact someone during the conference or want to talk to someone, you can hit them.

I mentioned Austen Merrick. He heads our Export Operations Division. Working for him is Nelson Randall, who is in the back of the room, the good-looking blond-headed fellow back there. Tim Reaman works on the bulk side, and Patty Jennings, I believe, is in Hawaii this week.

Jerry Cornell works on the bulk grain operations and is in the back of the room. Paul Cacciatore, Connie Carrison and Gene Belcher. If we have a claim against you or need a bill paid, those are the folks that we deal with.

Steve Miteff and Dick Devries are my Deputies. Steve works primarily in the procurement area and Dick works on the bulk commodities, the support program, the surplus removals, as well as our warehouse operations. With that, I will stop. I will probably get into trouble for not mentioning someone. We are going to have a break now. It will take approximately one half-hour. We will then go into our breakout sessions. When the breakout sessions are ready to start, we will send folks out into the room to remind you that you need to go there.

Session A, "Wheat and Corn Millers," is in the Imperial Ballroom. "What About Quality?" Session B will be in the Colonial Ballroom. "Food Aid Through the Eyes of a PVO" is Session C. That is in the Truman Room A. Session D, "What's Happening in Ocean Transportation?" is in Truman Room B. As I indicated, these are concurrent sessions. They will be repeated over and over again, so if you happen to walk into a session that is pretty full, perhaps you can go to another session. We will break again in about half an hour. Please start heading toward the sessions. Thank you.

NOTE: Transcripts of additional sessions will be made available in the near future.